

## Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03

NSAE-00 NSC-05 PA-02 PRS-01 SP-02 SS-15 USIA-15

COME-00 EB-07 LAB-04 SIL-01 IO-10 /091 W

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R 211805Z AUG 75

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 4037

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

USMISSION EC BRUSSELS

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E.O. 11652: N/A

TAGS: ELAB, UK

SUBJECT: AGENDA FOR 1975 TUC CONGRESS

REF: LONDON 10616

SUMMARY - THE AGENDA FOR THE 1975 TUC CONGRESS, WHICH OPENS SEPTEMBER 1, SHOWS A WIDE DIVERGENCE OF OPINION AMONG UNIONS IN RESOLUTIONS SUBMITTED ON THE SOCIAL CONTRACT AND WAGE RESTRAINT AND PRESAGES A CLOSELY FOUGHT DEBATE ON THESE VITAL ISSUES. THE TUC GENERAL COUNCIL, IN ITS REPORT TO CONGRESS, WILL BE ASKING UNIONS TO SUPPORT THE SOCIAL CONTRACT AND ENDORSE A FLAT-RATE SIX POUND A WEEK LIMIT ON PAY RISES. ALSO PROMINENT ON THE AGENDA ARE DEMANDS FOR ACTION TO OFFSET RISING UNEMPLOY-  
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MENT, MORE AID FOR THE LOW-PAID, INDUSTRIAL DEMOCRACY,

GOVERNMENT INDUSTRIAL POLICY AND EAST-WEST RELATIONS. AGAINST THIS BACKGROUND, THE GOVERNMENT HAS LAUNCHED A NATIONWIDE CAMPAIGN TO SEEK SUPPORT FOR ITS COUNTER-INFLATION PROGRAM, COMMENCING AUGUST 20 WITH A TELEVISION BROADCAST BY THE PRIME MINISTER IN WHICH HE APPEALED TO THE COUNTRY TO MAKE THE NEXT TWELVE MONTHS "A YEAR FOR BRITAIN." HE ALSO EMPHASIZED THAT THE SIX POUND PAY RISE ALLOWED UNDER GOVERNMENT POLICY WAS A MAXIMUM; A DIFFERENT VIEW FROM THAT OF THE TUC WHICH REGARDS THE

SIX POUNDS AS AN ENTITLEMENT FOR ALL ADULT WORKERS. END SUMMARY.

1. MOTIONS ON THE AGENDA FOR THE TUC ANNUAL CONFERENCE NEXT MONTH SHOW THAT IN THE MAJOR ECONOMIC DEBATE THE SOCIAL CONTRACT WILL BE OPPOSED, AS IT WAS AT THE 1974 CONGRESS, BY THE TECHNICAL SECTION (TASS) OF THE ENGINEERS' UNION (AUEW). ALONGSIDE THE TASS MOTION STANDS A SELECTION OF OTHERS ON ECONOMIC AFFAIRS WHICH WILL NO DOUBT BE COMPOSITED BEFORE DEBATE INCLUDING ONE FROM THE ASSOCIATION OF SCIENTIFIC, TECHNICAL AND MANGIERIAL STAFFS (ASTMS) OPPOSING ALL STATUTORY INTERFERENCE IN WAGE BARGAINING AND FROM THE SOCIETY OF CIVIL SERVANTS OPPOSING ANY INTERFERENCE WITH FREE BARGAINING. THE NATIONAL UNION OF MINE WORKERS (NUM), WHOSE SUPPORT FOR THE NEW PAY POLICY COULD BE VITAL TO ITS SUCCESS IN THE AUTUMN WAGE ROUND, IS CURRENTLY BALLOTING ITS MEMBERSHIP ON THE FLAT-RATE WAGE INCREASE ISSUE.

2. SUPPORT FOR WAGE RESTRAINT, WITH VARIOUS RESERVATIONS, IS EXPRESSED IN RESOLUTIONS BY A NUMBER OF UNIONS INCLUDING THE INLAND REVENUE, THE LOCAL GOVERNMENT OFFICERS UNION AND THE SHOP WORKERS' UNION. THE TRANSPORT AND GENERAL WORKERS' UNION, HEADED BY JACK JONES WHO HAS BEEN IN THE FOREFRONT IN SUPPORT OF GOVERNMENT-TUC ANTI-INFLATION MEASURES, SUBMITS THAT NO LOW-PAID WORKER SHOULD RECEIVE LESS THAN THE SIX POUND A WEEK INCREASE.

3. THE TUC GENERAL COUNCIL VIEW, EXPRESSED IN ITS RE-UNCLASSIFIED

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PORT TO CONGRESS, IS THAT THERE SHOULD BE UNIVERSAL APPLICATION OF THE SIX POUND FIGURE, WITH THOSE EARNING ABOVE 7,000 POUNDS A YEAR FOREGOING ANY INCREASE AS A

NECESSARY TEMPORARY MEASURE DURING THE COMING YEAR TO ARREST INFLATION, PREVENT MASSIVE UNEMPLOYMENT, AND ENABLE THE GOVERNMENT TO CARRY OUT ITS INDUSTRIAL PROGRAM. ANY SETTLEMENT ABOVE SIX POUNDS, SAYS THE GENERAL COUN-

CIL, WILL BE OPPOSED AND IT ADVISES NEGOTIATORS IN DIFFICULTIES TO CONTACT THE TUC AND CONFEDERATION TS BRITISH INDUSTRY (CBIWL WHO WILL CONSIDER WHETHER THE ISSUE SHOULD BE PUT TO THE ADVISORY CONCILIATION AND ARBITRATION SERVICE (ACAS).

4. CONCERN AT THE RISING LEVEL OF UNEMPLOYMENT IS AT THE CENTER OF A MOTION FROM THE GENERAL AND MUNICIPAL WORKERS UNION, WHICH CALLS ON THE GOVERNMENT TO ADOPT BUDGETARY MEASURES TO REDUCE THE LEVEL AND URGES AN INCREASE IN PUBLIC WORKS, USE OF TEMPORARY EMPLOYMENT SUBSIDIES AND SELECTIVE IMPORT CONTROLS. AS AN ALTERNATIVE THE AUEW

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HAS TABLED AN EIGHT-POINT PLAN OF ACTION CALLING ON THE GOVERNMENT TO CONTROL THE EXPORT OF CAPITAL AND CUT DEFENSE EXPENDITURES, TO RAISE CONSUMPTION BY INCREASING WAGES AND PUBLIC EXPENDITURE, AND TO EXTEND PUBLIC OWNERSHIP. ALSO IT ADVOCATES A SHORTER WORKING WEEK, LONGER HOLIDAYS, THE ELIMINATION OF OVERTIME AND REJECTION OF VOLUNTARY REDUNDANCIES. IN ADDITION UNIONS ARE URGED TO WARD OFF LARGE-SCALE UNEMPLOYMENT WITH "MAXIMUM SOLIDARITY ACTION WITH ALL AFFECTED WORKERS." TASS CALLS FOR THE LAW TO BE CHANGED SO THAT WORKERS CAN OCCUPY THEIR FACTORIES WITH IMMUNITY FROM LEGAL PROCEEDINGS.

5. ON INTERNATIONAL AFFAIRS, A MOTION FROM THE CONSTRUCTION SECTION OF THE AUEW CALLS ON THE TUC FOR AN INITIATIVE TO BRING THE TWO MAIN WORLD UNION GROUPINGS, THE UNCLASSIFIED

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COMMUNIST WORLD FEDERATION OF TRADE UNIONS AND THE INTERNATIONAL CONFEDERATION OF FREE TRADE UNIONS MORE CLOSELY TOGETHER. THE EC ALSO MAKES AN APPEARANCE ON THE AGENDA WITH A MOTION FROM ASTMS THAT "THERE ARE NO IRREVOCABLE STEPS TAKEN TOWARDS EUROPEAN UNION WITHOUT THE KNOWN WHOLE-HEARTED CONSENT OF THE BRITISH PEOPLE."

6. THE DEVELOPMENT OF THE SOCIAL CONTRACT WITH WIDER UNDERSTANDING AND FURTHER UNION INVOLVEMENT WITH THE GOVERNMENT IN PLANNING INVESTMENT AND CREATING PRIORITIES FOR ECONOMIC DEVELOPMENT IS PROPOSED IN THE GENERAL COUNCIL REPORT. ON INDUSTRIAL POLICY, THE REPORT REGARDS THE DEVELOPMENT OF PLANNING AGREEMENTS UNDER THE INDUSTRY BILL AS A PRIORITY AND URGES THAT NATIONALIZATION LEGISLATION FOR SHIPBUILDING AND AIRCRAFT INDUSTRIES SHOULD PROCEED AS QUICKLY AS POSSIBLE AS WELL AS EXTENSION OF PUBLIC OWNERSHIP THROUGH THE PROPOSED NATIONAL ENTERPRISE BOARD (NEB). THE GENERAL COUNCIL ALSO SEES MAJOR LEGISLATION ON INDUSTRIAL DEMOCRACY, BASED ON TRADE UNION ORGANIZATION, AS A FURTHER KEY PRIORITY FOR THE COMING YEAR IN ORDER TO EXTEND THE CONCEPT OF JOINT PLANNING AND CONTROL TO ALL LEVELS OF THE ECONOMY.

7. TO ENSURE THE SUCCESS OF THE "DEVELOPING SOCIAL CONTRACT" THE GENERAL COUNCIL URGES ALL UNIONS TO SECURE THE UNDERSTANDING, SUPPORT, COMMITMENT AND ACTION ON THE PART OF INDIVIDUAL TRADE UNION MEMBERS TO THE POLICY. IT CONCLUDES BY SAYING THAT AN EFFECTIVE JOINT PUBLICITY CAMPAIGN INVOLVING THE TUC, GOVERNMENT AND LABOR PARTY WILL BE SET UP TO GET THE MESSAGE ACROSS TO THE MEMBERSHIP ON THE SHOP FLOOR AND THE GENERAL PUBLIC AND SECURE THEIR INVOLVEMENT.

8. THE GOVERNMENT'S TWO MILLION POUND PUBLICITY CAMPAIGN TO SEEK SUPPORT FOR ITS COUNTER-INFLATION PROGRAM COMMENCED AUGUST 20 WITH A TELEVISED MESSAGE FROM THE PRIME MINISTER IN WHICH HE WARNED OF GROWING UNEMPLOYMENT UNLESS THERE WAS WAGE RESTRAINT. EMPHASIZING THAT THE SIX POUND LIMIT ON PAY RISES WAS A MAXIMUM, HE DESCRIBED IT AS "ROUGH JUSTICE BUT NECESSARY" WHICH MUST BE ACCOMPANIED BY HARDER WORK AND MORE INVESTMENT. BACKING UP  
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THIS MESSAGE ARE FULL-PAGE NATIONAL NEWSPAPER ADVERTISEMENTS AND A DISTRIBUTION OF PAMPHLETS ON THE ANTI-INFLATION FIGHT TO ALL HOUSEHOLDS. IN CONTRAST, THE TUC HAS MADE CLEAR THAT IT BELIEVES UNIONS SHOULD BE ENTITLED TO SEEK SIX POUNDS A HEAD PAY RISES AND THAT IT WILL REGARD STRIKES IN SUPPORT OF CLAIMS FOR THE FULL SIX POUNDS AS LEGITIMATE. ALL TUC AFFILIATES WILL BE ASKED TO NOTIFY THE TUC ABOUT PAY SETTLEMENTS.

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** MEETING AGENDA, INFLATION, UNEMPLOYMENT, ECONOMIC PROGRAMS, WAGE RATES, LABOR UNIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 21 AUG 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975LONDON13018  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750290-0096  
**From:** LONDON  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1975/newtext/t19750832/aaaabbij.tel  
**Line Count:** 248  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EUR  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 5  
**Previous Channel Indicators:** n/a  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** 75 LONDON 10616  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** ellisoob  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 20 FEB 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <20 FEB 2003 by ReddocGW>; APPROVED <11 FEB 2004 by ellisoob>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
06 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** AGENDA FOR 1975 TUC CONGRESS  
**TAGS:** ELAB, UK, TUC  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006